

REVENUE SECRETARIAT.

Review on the Administration Report of the Excise Department.

READ—

Letter No. Ped. C. 45—23-24, dated the 15th October 1924, from the Excise Commissioner, forwarding the Report on the Administration of the Excise Department, for the year 1923-24.

ORDER NO. FL 4036-45—EX. 29-24-3, DATED 13TH JANUARY 1925.

Personal.—Mr. A. Subrahmanya Iyer, B.A. was in charge of the Department till the 31st March 1924, when he proceeded on combined leave preparatory to retirement and was succeeded by Mr. V. R. Thyagaraja Iyer, M.A., who was in charge of the Department during the remaining three months of the year.

2. *Administrative Charges.*—The post of the District Excise Officer in the Kolar District was abolished with effect from 1st April 1924, consequent on the separation of Judicial and Executive Functions and the Revenue Sub-Division Officers were entrusted with the Excise work of their respective Sub Divisions. The number of Excise Ranges was reduced from 46 to 41 with effect from the beginning of the year under review. The number of Excise Assistant Inspectors was also reduced from 124 to 118.

3. *Country Spirits.*—The quantity of spirits of various degrees of strength manufactured during the year was 355,614 gallons against 390,456 gallons in the previous year while the quantity issued (including supply to Civil and Military Station and that issued for denaturation) was 353,277 gallons. The wastage in the quantity of arrack transported to Bonded Depots was 8,722 gallons or 3.1 per cent against 2.8 per cent in 1922-23, the increased percentage being evidently due to the unsatisfactory transport arrangement by the carrying contractor.

The quantity of molasses arrack issued for consumption during the year was 248,430 gallons against 279,677 gallons in the previous year. During the past eight years there has been a steady decrease in the quantity of country spirits issued by Government as well as in the number of arrack shops as shown in the following table :—

Year	Number of shops	Quantity issued in gallons (in hundreds)
1916-17	755	4196
1917-18	752	3190
1918-19	756	2990
1919-20	694	2632
1920-21	690	2403
1921-22	665	2147
1922-23	644	1903
1923-24	640	1692

It is observed that the issue of country spirits has fallen by about 47 per cent since 1917-18. The fall during the year under report was marked in the Bangalore, Tumkur and Kolar Districts and was comparatively small in the Districts of Kadur, Chitaldrug and Shimoga. Mysore and Hassan were the only Districts in which there was no fall. Though it would be a matter for gratification if the decrease in the issues were due to fall in consumption, the references made in the report to cases of illicit distillation and possession of illicit arrack, etc., particularly in the high duty areas of the Kolar Gold Fields and the Bangalore City, go to show that the gradual fall in the figures has to be attributed to some extent to malpractices, probably consequent on the high and prohibitive retail prices charged. Government consider it necessary to have it investigated as to how far the apparent decline in consumption is due to promotion of real temperance among the people and to what extent it is attributable to malpractices of the kind referred to in the report. In so far as the decline of consumption is due to the latter cause, there is urgent need for adopting strong measures to effectively put a stop to all such malpractices. If high prices are responsible for illicit distillation, it is necessary to consider what changes are required in the existing system of minimum rates and the arrangements for the sale of liquor. Government desire that the matter should be carefully investigated and a report submitted to them by the Excise Commissioner before the end of February 1925.

4. *Toddy*.—The total revenue from Toddy was Rs. 39,60,648 against Rs. 40,37,776 in 1922-23. The decline was both under shop rental and tree-tax. There was a decline in the number of date trees tapped, the number having fallen from 407,788 in 1922-23 to 398,974 in the year under review.

5. *Ganja*.—The area under Ganja cultivation was 60 acres in 1922-23. The total out-turn was 343 maunds against 541 maunds in 1922-23, and the average yield per acre was 5·7 maunds as against 5·9 maunds in the preceding year. There was a small increase of 85 seers in the consumption of Ganja.

The consumption of opium has declined by 520 seers owing to the increase of the issue price from Rs. 63 to Rs. 70 per seer and also to restrictions imposed on the supply with a view to prevent its smuggling to outside the State.

6. *Offences*.—The total number of offences reported during the year was 2896 against 3087 in the previous year. The number of cases of illicit distillation was 162 against 135 in the previous year. The large number of these cases shows the prevalence of illicit distillation on an extensive scale and the need for taking strong and energetic measures for the prevention of such offences. The Excise Commissioner refers to the necessity of reorganising the Excise Intelligence Bureau in order to deal with the situation. He is requested to submit a special report on this question.

7. *Inspection*.—The work of inspection leaves much to be desired. Except in the Bangalore and Kolar Districts, some of the District and Sub-Division Offices in the other Districts have not been inspected by the Deputy or the Excise Commissioner. The number of Taluk and Range Offices inspected is also inadequate, Sub Division Officers not having inspected all the offices subordinate to them. The attention of all the officers should be drawn to this unsatisfactory feature and to the need for a systematic inspection of all offices at least once every year.

8. *Excise Licensing and Advisory Boards*.—The question of placing the Excise Licensing and Advisory Boards on a more satisfactory basis so as to improve their usefulness is under the consideration of Government.

9. *Financial Results*.—The total demand for the year including arrears was Rs. 78,35,398 against Rs. 82,53,228 in 1922-23. The collections during the year amounted to Rs. 73,54,843 against Rs. 77,72,961 in 1922-23. The fall in the revenue was due to the decline in consumption and shop rent, (*vide* Appendices VI and XV of the report). There are heavy arrears outstanding and prompt and energetic action should be taken to reduce them.

10. There is no mention in the report as to how the administration of the Department has been affected by the abolition of full time District Excise Officers and the transfer of their work to Revenue Sub-Division Officers. The Excise Commissioner is requested to obtain the opinions of Deputy Commissioners on this question and embody them with his own remarks in the next year's Report.

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Secretary to Government,
Revenue Department.